

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: July 15, 2010
POSITION: Oppose

BILL NUMBER: AB 2352
AUTHOR: J. Perez
RELATED BILLS: AB 998 (Perez, 2009)

BILL SUMMARY: MediCal: Organ Transplants: Anti Rejection Medications

This bill would require Medi-Cal beneficiaries to remain eligible to receive Medi-Cal coverage for anti-rejection medication for up to two years following an organ transplant, unless during that period, the beneficiary becomes eligible for Medicare or private health insurance that would cover the medication.

FISCAL SUMMARY

According to the Department of Health Care Services (DHCS), Medi-Cal covered 4,319 organ transplants from 2005-2007. Of that total, 1,805 received anti-rejection medication and 21 beneficiaries needed a new transplant one year after the first surgery. However, according to DHCS, none of the 21 transplants were given to beneficiaries with gaps in eligibility after the original surgery. DHCS indicated that from 2005-2007, 45 beneficiaries no longer had Medi-Cal coverage one year after the original organ transplant (during months 13-24 post transplant). DHCS estimated that anti-rejection medication cost \$20,000 a year. This bill could cost the General Fund \$300,000 ((45x\$20,000)/3 years) per year. Federal funding is not available because this bill establishes a state-only Medi-Cal program.

COMMENTS

The Department of Finance opposes this bill because it would establish a state-only Medi-Cal program at a cost of approximately \$300,000 General Fund annually. This bill would also create indeterminate cost pressure to extend other benefits beyond any current restrictions in law.

Current state law requires Medi-Cal to cover organ transplants and donor surgeries when an organ transplant is provided to a Medi-Cal beneficiary who is eligible for full-scope benefits in a medical facility that meets the requirements of and is approved by DHCS. Under federal law, disability related to a transplant (12 months post surgery) is a linking factor that can make an individual eligible to receive Medi-Cal.

If after 12 months the beneficiary does not have a Medi-Cal linkage factor outside of the federally defined disability period, the individual would no longer be Medi-Cal eligible and will not receive anti-rejection medication under the Medi-Cal program. By requiring that Medi-Cal beneficiaries remain eligible to receive Medi-Cal coverage for anti-rejection medication for up to two years following an organ transplant (unless the beneficiary becomes eligible for Medicare or private health insurance that covers the medication), this bill would establish a state-only Medi-Cal Program (meaning federal funds would not be available) for anti-rejection medication for individuals not otherwise eligible for Medi-Cal.

This bill is similar to AB 998 (Perez) of 2009, which would have required Medi-Cal beneficiaries to remain eligible to receive Medi-Cal coverage for anti-rejection medication for up to a period of three years. AB 998 was placed on the Assembly Appropriations Committee suspense file and did not meet the deadline to pass from the house of origin.

Analyst/Principal (0544) J. Wunderlich	Date	Program Budget Manager Lisa Ann L. Mangat	Date
---	------	--	------

Department Deputy Director	Date
----------------------------	------

Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
----------------------	-----------------------------

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

J. Perez

July 15, 2010

AB 2352

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP							Fund
	RV	98	FC	2010-2011	FC	2011-2012	FC	2012-2013	Code
	4260/Hlth Care	LA	No	C	\$150	C	\$300	C	\$300